

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1048 - SB 2020

March 23, 2011

SUMMARY OF BILL: Decreases, from nine grams to four and one-half grams, the amount of base ephedrine and pseudoephedrine a person can purchase from a pharmacy within a reduced 15-day; period. Reduces the amount of ephedrine or pseudoephedrine that must be purchased or possessed to constitute the Class D felony offense of promoting the manufacture of methamphetamine to more than four and one-half grams.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$261,700/Incarceration*
Not Significant/Board of Pharmacy

Assumptions:

- It is currently a Class A misdemeanor for a pharmacy to sell a person more than three individual packages of any nonexempt product containing an immediate methamphetamine precursor, or any combination of the products containing more than nine grams of ephedrine, pseudoephedrine or their salts, isomers, or salts of isomers, during the same 30-day period.
- It is currently a Class D felony for a person to purchase or possess more than nine grams of an immediate methamphetamine precursor with the intent to manufacture methamphetamine or deliver the precursor to another person they know intends to manufacture methamphetamine, or with reckless disregard of the person's intent.
- According to the Department of Correction (DOC), there has been an average of 102 admissions for promoting the manufacture of methamphetamine in each of the past three years. DOC assumes a five percent increase (5) in admissions as a result of this bill.
- According to the U. S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will result in one additional offender in the tenth year. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on six offenders.
- According to the Department of Correction (DOC), the average operating cost per offender per day for calendar year 2011 is \$60.62. The average post-conviction time served for a Class D felony is 1.97 years (719.54 days) at a cost of \$43,618.51 (\$60.62 x 719.54 days). The total additional operating cost for six offenders is \$261,711.06 (\$43,618.51 x 6).

- The Board of Pharmacy in the Department of Health will incur a not significant increase in expenditures for disciplinary action taken against a pharmacy, pharmacist, or pharmacy technician should the licensee violate any provisions of this bill.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had a balance of \$74,641.74 in FY09-10 and a deficit of \$59,776.49 in FY08-09. The Board's cumulative balance as of June 30, 2010 was \$276,649.24.
- According to the District Attorneys General Conference, the additional number of cases generated by the proposed bill will not significantly impact their caseloads. Any additional cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc